

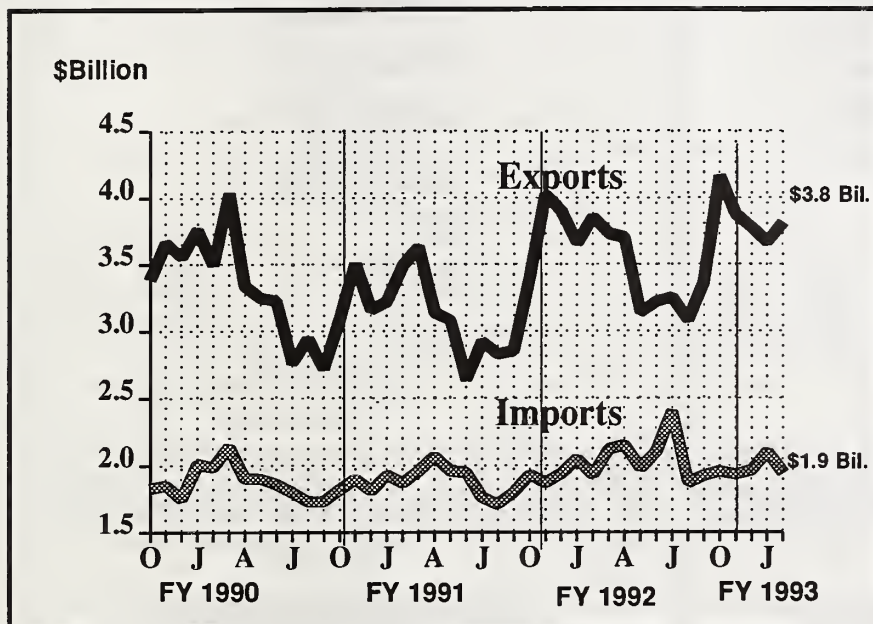
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AGRICULTURAL TRADE HIGHLIGHTS

February Exports Reach \$3.8 Billion

Soybean, Wheat, and Processed Food Sales Rise Sharply



February trade statistics released on April 16 by the Commerce Department placed the value of U.S. agricultural exports at \$3.8 billion, up 4 percent from January's level and roughly unchanged from the same month last year. Increased sales of soybeans, wheat and rice offset lower shipments of cotton, corn and beef from year-ago levels.

February's shipments brought U.S. exports during the first five months of fiscal 1993 to \$19.3 billion, up 2 percent from the same period last year. Exports of bulk commodities and consumer-oriented foods continued to outpace last year's levels, while exports of intermediate products, the third major product category, were down slightly.

At \$1.9 billion, U.S. exports of bulk commodities in February were unchanged from the same month last year. Increases in sales of soybeans, wheat, rice and tobacco offset sales declines for cotton and corn. February's performance brought bulk

exports for the first five months of fiscal 1993 to \$9.3 billion, up \$144 million from the same period in fiscal 1992.

Like bulk commodities, February exports of intermediate products were unchanged from a year ago with shipments totaling \$800 million. While exports of animal fats, feeds and fodders and sweeteners rose, those gains were offset by lower shipments of hides and skins and live animals. February's performance brought intermediate product exports for the first five months of fiscal 1993 to \$4.1 billion, down \$52 million from the same period in fiscal 1992.

For the first time this fiscal year, U.S. exports of consumer-oriented high-value products slipped from their year-ago level. February's sales totaled just under \$1.1 billion, a 4-percent decrease over the same month last year. While higher shipments of snack foods, breakfast foods and pet foods were recorded, exports in most other product groups suffered declines with

losses in beef, tree nuts and fresh fruits leading the way. February's performance brought consumer food exports for the first five months of fiscal 1993 to \$5.9 billion, up \$372 million from the same period in fiscal 1992. Despite February's decline, fiscal 1993 exports of consumer foods remained on track to register their seventh record in as many years.

Trade performance for the top 10 U.S. agricultural export markets in February was largely down compared with the same month last year. Shipments to the republics of the former Soviet Union totaled \$58 million, down a dramatic 79 percent from year-earlier levels. Shipments were also down to Japan, South Korea, Hong Kong, Mexico and Taiwan. U.S. exports to Canada, the EC, Egypt and South Africa were up. Shipments to drought-plagued sub-Saharan Africa continued above the same month last year.

U.S. agricultural imports for February rose 7 percent from the same month last year to \$1.9 billion. This brings February's agricultural trade surplus to \$1.9 billion--\$53 million less than last February.

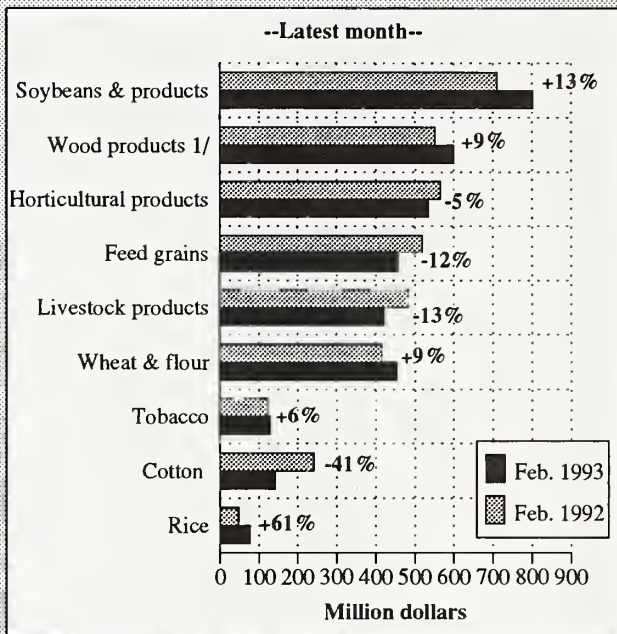
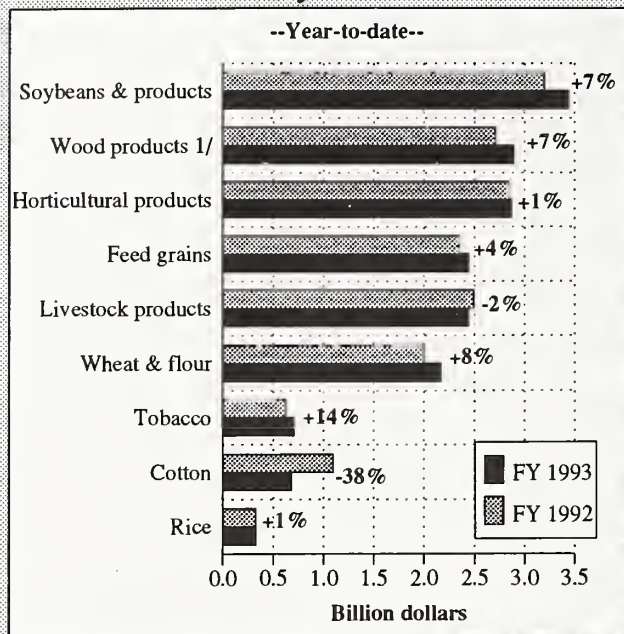
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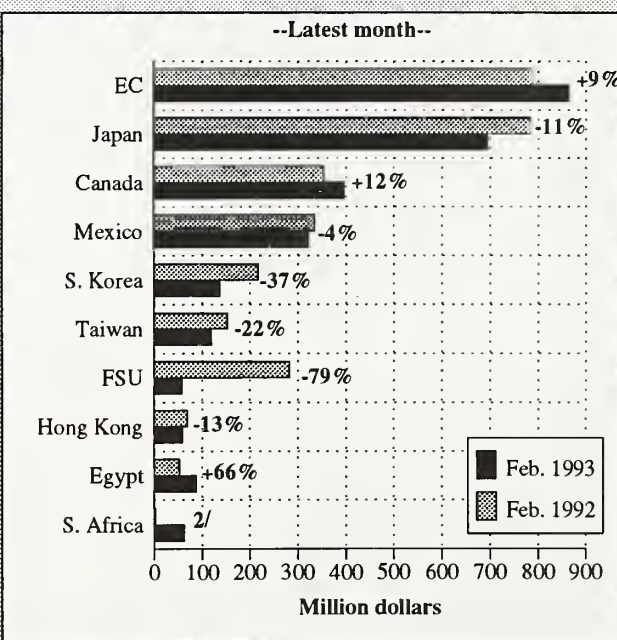
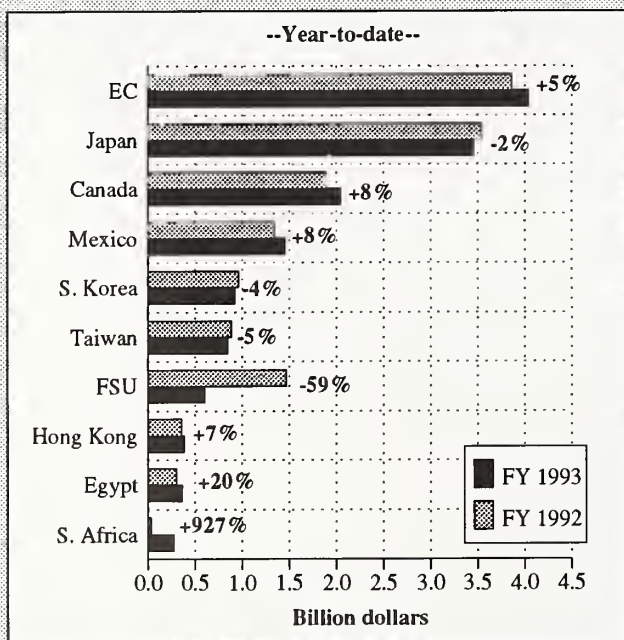
U.S. Agricultural Export Summaries

October-February and Latest Month Comparisons

Product Summary



Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.

1/ Not included in agricultural totals.

2/ Negligible exports reported during comparable period last year.

Commodity Highlights

Exports of *wheat and wheat flour* in February rose 9 percent to \$455 million on a 4 percent gain in volume. Most of the increase occurred in shipments to Morocco, India, China, and Nigeria, which were up \$31 million, \$22 million, \$21 million and \$11 million, respectively. Decreased sales were largely limited to the former Soviet Union and Pakistan, down \$80 million and \$44 million, respectively. Excluding sales to the former Soviet Union and Pakistan, sales were up strongly.

February shipments of *coarse grains* fell 12 percent to \$457 million. This decline was due entirely to lower prices as volume rose by 1 percent. Losses were heaviest to the former Soviet Union, Japan, and Mexico which were down \$93 million, \$64 million, and \$20 million, respectively. Gains were more modest, but widespread, led by South Africa and Egypt, which were \$38 million and \$16 million higher, respectively.

Exports of *oilseeds and products* rose 11 percent in February to \$912 million, on an equivalent gain in volume. Most of this gain came in soybean sales to the EC, Indonesia, and Malaysia which were up \$112 million, \$14 million and \$12 million, respectively. U.S. sales to the EC were unusually high due to lower than usual South American supplies at this time of year. Losses were most pronounced to Korea, Taiwan, and the former Soviet Union, down \$27 million, \$20 million and \$18 million respectively. In addition, the former Soviet Union showed a \$30 million decline in soybean meal sales and \$16 million lower soybean oil purchases.

Rice exports for February jumped 61 percent over year ago levels, to \$77 million, on an 82 percent gain in volume. Modest sales gains were widespread, led by Turkey and Iran, which were up \$12 million, each, followed by South Africa (up \$7 million), and Saudi Arabia (up \$5 million). There were no notable sales losses.

Horticultural exports reached \$534 million in February, down 5 percent

from the previous year. These modest overall changes hide larger shifts between groups of products. Sales of fresh fruit fell 13 percent to \$115 million and edible tree nuts were off 21 percent to \$72 million, while fresh vegetable exports rose 5 percent to \$76 million and miscellaneous fruits and vegetables rose 14 percent to \$73 million. The general decline in fruit exports is a return to more typical sales trends, after the poor deciduous fruit harvest in Europe in 1991 and resulting surge in U.S. exports there. Overall horticultural sales declines were concentrated in two markets: the EC and Japan, which were \$31 million and \$28 million lower than last February. Sales gains were led by Canada, followed by Hong Kong, and Mexico, which were up \$13 million, \$4 million, and \$3 million, respectively. During the first 5 months of fiscal 1993, sales are up 1 percent to \$2.87 billion.

Unmanufactured tobacco exports were 6 percent above last February reaching \$130 million on a 13 percent rise in volume. Egyptian purchases which were \$12 million more than last February, followed by Japan, and Thailand, which were \$10 million and \$8 million higher, respectively. Sales declines were led by a \$10 million drop to the EC, followed by Korea and Hong Kong, down \$9 million and \$6 million. The year to date sales of unmanufactured tobacco now stand at \$707 million, 14 percent above last year at this time, and 16 percent higher in volume.

Cotton exported in February fell to \$142 million, off 4 percent from last year. The only notable gains occurred in sales to Mexico, which were \$14 million higher. Sales losses were most notable to Asia and to a lesser extent to the EC. Sales to China declined \$34 million, while Indonesia, Japan and Hong Kong slipped \$19 million, \$17 million and \$12 million, respectively. Sales to the EC dropped \$12 million last February.

Exports of *livestock products* fell 13 percent in February to \$422 million,

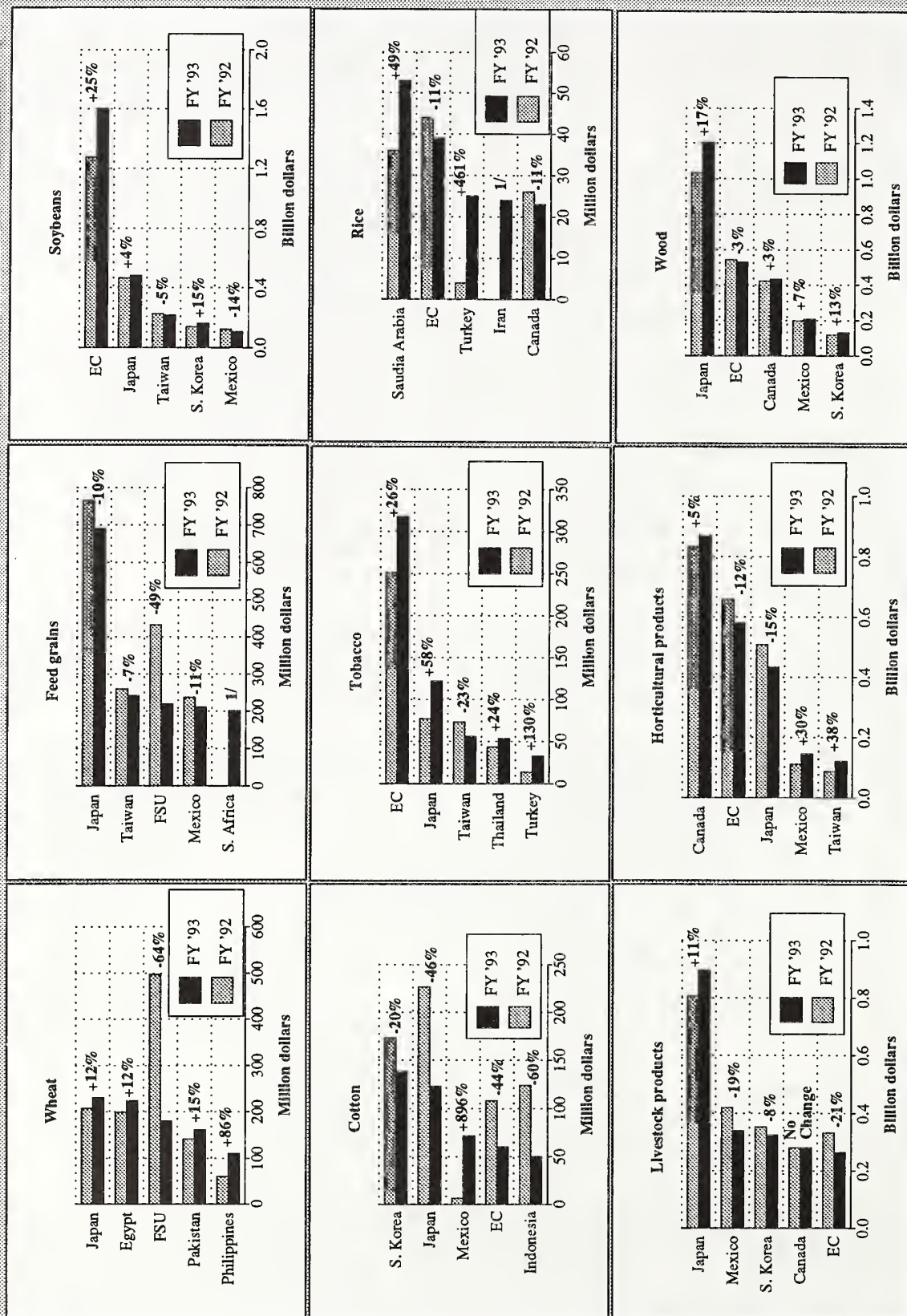
on a 16 percent drop in volume. Significant declines occurred in beef, down \$27 million. Lower beef sales are attributable to Japanese importers anticipating lowering of import duties to 50 percent (from 60 percent) on beef in April, and are drawing down stocks. In addition, Mexico's new tariff's, which are between 20 and 25 percent on beef, along with high pork and beef stocks in Korea, have reduced imports.

U.S. exports of *wood products* were up 9 percent in February, to \$600 million. Most of the gain was to Japan, which grew \$55 million to \$276 million, and to Canada, which was \$13 million higher at \$111 million. Losses came in sales to the EC, Korea, and China, which were \$18 million, and \$4 million each respectively, below last February.

*For more information, contact
Thomas St. Clair at (202) 720-6821.*

Top Five Markets for Major U.S. Commodities

October-February Comparisons



Note: Percentages are computed as the change from 1992 to 1993.
1/ Negligible exports reported during comparable period last year.

Country Spotlight: Hong Kong



U.S. agricultural exports to Hong Kong continued at record levels in 1992, with sales reaching \$860 million, nearly doubling shipments in 1988. Continued growing demand for high-quality meats and produce, and a booming re-export business to Guangdong Province in China, account for nearly all the growth. Despite slumping demand for bulk commodities, particularly cotton, robust trade in consumer-ready high-value products is expected to boost total U.S. agricultural exports to Hong Kong to more than \$1 billion by the mid-1990s.

Nearly three-fourths of U.S. agricultural sales to Hong Kong are consumer-ready foods, led by chicken meat, fresh fruit, and tree nuts, which all reached record levels in 1992. Additional products with record sales and strong potential for future growth include beef, (up 33 percent in 1992 to \$23 million), cocoa products (up 18

percent to \$12 million) dried fruit (up 75 percent to \$8 million), and cookies, pastries, and cakes (up 60 percent to \$4 million). Higher U.S. food purchases have been fueled largely by five straight years of double-digit income growth, rising workforce participation by women, sharpened quality expectations, and growing western tastes, particularly among young adults.

Many U.S. exporters are achieving strong sales results by satisfying growing sophisticated tastes for premium foods in Hong Kong. U.S. beef, such as bone-in short ribs and strip steaks, is gaining at the expense of lower-priced thinly marbled product from Brazil and China. Last year's record sales represented 21 percent of the Hong Kong beef market, up from just 8 percent in 1985. Other U.S. products enjoying a quality image in Hong Kong include grapes, apples, and stone fruit. The U.S. is now the top supplier of fresh fruit to Hong Kong, accounting for one-third of total imports.

Changing distribution channels for food in Hong Kong are also contributing to rising sales. The share of total food sales through wet markets, the traditional food outlet in Asia, is in

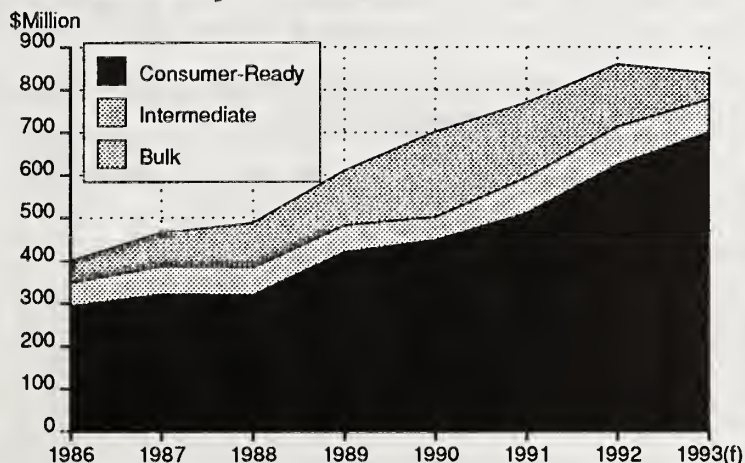
decline, accounting for just half of Hong Kong food sales, while supermarkets are becoming more important. There are now more than 400 western-type supermarkets in Hong Kong; most are small--at 4,000 to 6,000 square feet--though the more modern larger Japanese-owned markets are enjoying the most growth in store traffic. Supermarkets help boost sales of U.S. consumer foods by stocking a greater variety of western-style products. Additionally, most of these foods are packaged, which allows for branded and country-of-origin promotions. Traffic through Hong Kong supermarkets is expected to continue higher as more women enter the workforce, which will further raise the demand for convenient foods and one-stop shopping.

Promotions Spur Sales Gains

Many U.S. exporters shipping to Hong Kong are using promotions to help boost sales. Pistachio shippers report higher sales from a number of promotions that position their product as a high-quality, healthful, fun snack called the "happy nut." These efforts are helping differentiate American pistachios against competing product from Iran, which tend to vary in quality. U.S. pistachio exports to Hong Kong, including both in-shell and prepared products, reached a record \$25 million in 1992, up from \$4 million in 1989.

U.S. poultry meat exporters report success from a coupon promotion held with a major Hong Kong fast-food chain. The promotion offered a free drink with the purchase of one of three new-to-market American chicken dishes. Sales of a dish called "U.S. garlic chicken" were particularly brisk. The Hong Kong food service sector has become an increasingly important outlet for poultry, accounting for an estimated 40 percent of the record \$137 million in U.S. exports to Hong Kong last year.

U.S. Agricultural Exports to Hong Kong Dominated by Consumer-Ready Products

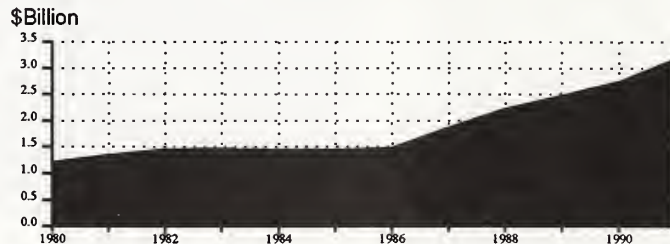


....Hong Kong

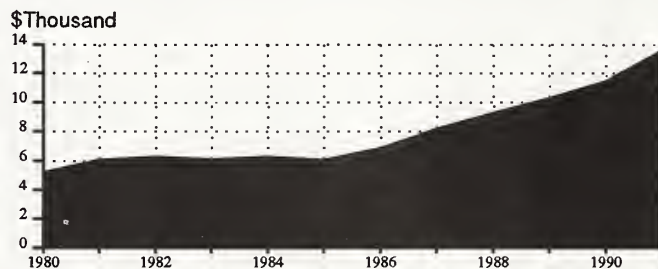
Finally, U.S. exporters also report a growing optimism about Hong Kong's status in 1997. The mass exodus of Hong Kong residents in the late 1980s has since slackened and recently has even been reversed. With continued income gains expected through the mid 1990s across a broader share of the population, quality expectations in food purchases will continue to grow. U.S. exporters to Hong Kong who can consistently meet those expectations will enjoy the greatest sales response.

For more information, contact Mike Woolsey at (202) 720-1294, or Scott Reynolds at (202) 720-1064.

Hong Kong Imports of Consumer-Ready Foods Grow....



....As Per Capita Income Rises



Re-exports to China Account for Growing Share of Hong Kong Agricultural Imports

A major factor in the growing sales to Hong Kong that needs to be considered separately is the booming re-export market to Guangdong Province in Southern China. The Guangdong economy is soaring, with incomes reportedly growing by a phenomenal 15 to 25 percent per year, sparking strong demand for improved foods. As indicated in the table below, re-exports to China (nearly all to Guangdong) compose a growing share of several important Hong Kong consumer food imports, led by poultry meat, primarily chicken feet and wings.

With high tariffs and financial constraints limiting direct shipments from the United States, Hong Kong traders who possess the cultural links and know-how to service the unique needs of this bustling market of 60 million people expect the re-export trade to continue growing. In the short run, re-exports are expected to receive an added boost when the customs border between Hong Kong and the Guangdong Special Economic Zone of Shenzhen (representing 2 million consumers) is removed sometime within the next year or so. This will reduce tariff levels on nearly all permitted consumer-ready imports into Shenzhen from Hong Kong to near zero from their current level of 30 to 40 percent.

While shipments of U.S. products that are re-exported to China are expected to grow, the full potential of this market is limited by phytosanitary restrictions on many fresh imports, particularly fresh fruit. Given the popularity of U.S. fruit in neighboring markets such as Hong Kong and Taiwan, the potential market for U.S. fresh fruit in Guangdong has been estimated at more than \$100 million, though currently, no fruit imports are allowed due to the restrictions. U.S. fruit may soon be imported into China, due to a recent bilateral agreement reached between the U.S. and Chinese Governments. Under the agreement, tariffs will gradually replace quotas and other restrictions on a number of items, including oranges, grapes, and apples, once phytosanitary issues are resolved. Full tariffication for all items in the agreement is expected by 1997.

Share and Value of Selected Hong Kong Imports that are Re-exported to China

	Share(%)		Re-export Value(\$mil) 1991
	1985	1991	
Poultry Meat	6.4	44.6	78.1
Tree Nuts	16.2	20.4	23.6
Sauces & Seasonings	6.7	18.2	25.3
Misc. Food Preps.	2.0	11.1	18.0

Note: shares are calculated from volume data.

Source: author's analysis of UN data.

U.S. Agricultural Exports by Commodity Type to HONG KONG

Fiscal Years 1988-1992 and Year to Date Comparisons

(In thousands of dollars)

Product	Calendar Years					January-February	
	1988	1989	1990	1991	1992	FY 1992	FY 1993 Change %
BULK COMMODITY TOTAL							
Wheat	104,706	129,471	199,200	175,814	146,372	44,213	17,640 -60.1
Coarse Grains	18,217	20,996	16,088	20,265	22,064	1,779	5,653 217.8
Rice	0	88	1,227	171	1,031	8	186 2225.0
Soybeans	3,059	3,833	2,017	1,454	1,023	277	171 -38.3
Cotton	55	178	406	467	403	56	66 17.9
Tobacco	18,726	51,131	75,711	96,115	73,880	29,154	2,999 -89.7
Pulses	61,486	48,992	99,577	50,280	41,693	11,695	6,178 -47.2
Peanuts	803	703	728	1,100	769	127	98 -22.8
Other Bulk Commodities	443	611	662	602	697	16	85 431.3
INTERMEDIATE TOTAL	1,918	2,937	2,785	5,361	4,811	1,102	2,204 100.0
Wheat Flour	62,685	62,026	54,620	84,360	89,458	13,837	12,182 -12.0
Soybean Meal	0	14	15	26	17	0	0
Soybean Oil	0	0	0	0	186	169	0
Other Vegetable Oils	34	135	129	316	776	21	38 81.0
Feeds & Fodders (Excl Pet Foods)	2,592	4,677	2,056	7,042	14,658	2,837	1,446 -49.0
Live Animals	10,422	9,628	10,726	19,876	13,087	1,966	1,357 -31.0
Hides & Skins	975	742	1,363	3,399	3,503	289	113 -60.9
Animal Fats	13,238	20,097	17,144	24,571	26,613	3,973	4,594 15.6
Planting Seeds	60	456	292	740	443	38	160 321.1
Sugars, Sweeteners, & Beverage Bas	3,095	793	1,014	2,264	2,870	461	292 -36.7
Other Intermediate Products	15,380	11,594	7,274	3,477	4,027	552	816 47.8
CONSUMER-ORIENTED TOTAL	16,888	13,891	14,607	22,649	23,277	3,533	3,365 -4.8
Snack Foods (Excl. Nuts)	321,235	420,827	447,445	510,768	624,652	78,635	88,462 12.5
Breakfast Cereals & Pancake Mix	11,706	12,350	14,046	14,933	18,338	2,610	2,381 -8.8
Red Meats, Fresh/Chilled/Frozen	404	813	880	1,391	1,360	317	169 -46.7
Red Meats, Prepared/Preserved	13,949	20,822	18,289	22,216	26,531	3,436	4,162 21.1
Poultry Meat	5,458	3,444	4,826	5,599	6,137	1,206	1,511 25.3
Dairy Products	50,313	93,472	88,478	111,424	139,752	17,313	23,048 33.1
Eggs & Products	8,898	13,973	7,119	16,565	15,458	1,495	1,808 20.9
Fresh Fruit	7,562	4,502	10,835	22,843	22,534	3,128	3,108 -0.6
Fresh Vegetables	98,589	110,052	117,253	98,822	131,545	17,176	16,902 -1.6
Processed Fruit & Vegetables	14,518	14,633	14,687	14,279	16,355	1,472	1,528 3.8
Fruit & Vegetable Juices	24,163	32,083	31,593	42,792	52,323	6,226	6,356 2.1
Tree Nuts	8,367	8,171	9,725	10,480	11,698	2,529	1,414 -44.1
Wine and Beer	6,323	8,219	10,796	21,336	31,652	3,551	5,463 53.8
Nursery Products & Cut Flowers	4,493	10,398	12,116	19,895	12,675	1,583	1,907 20.5
Pet Foods	347	334	244	456	461	73	124 69.9
Other Consumer-Oriented Products	1,760	1,432	1,880	2,716	3,930	697	719 3.2
AGRICULTURAL TOTAL	64,385	86,127	104,677	105,021	133,905	15,825	17,861 12.9
	488,626	612,324	701,265	770,942	860,482	136,685	118,284 -13.5

Product Spotlight: Turf and Forage Seeds

The U.S. turf and forage seed industry is a major player in the global marketplace. Despite growing competition for new plant varieties around the world, U.S. turf and forage seed exports continue to expand. The U.S. industry's competitive edge is tied to the country's large diversity of climates and soils, an ability to grow foreign-bred varieties under conditions relatively free of contamination, and a strong commitment to research and development. In marketing year 1991/92, U.S. exports reached a record \$108 million and are projected to near \$140 million by the late 1990's.

The U.S. turf and forage seed industry offers a good example of a U.S. export success story. After field crop and vegetable seeds, turf and forage seeds are the third most valuable export crop for the U.S. seed industry. According to industry sources, roughly 25 percent of U.S. turf and forage seed production is exported. During the past two decades, turf and forage seed exports rose from \$28 million to \$108 million--an increase of 7 percent per year. During the same period, exports rose from 41 to 70 million metric tons. In marketing year (MY) 1992/93, which ends in June 1993, shipments are expected to reach a record \$125 million. U.S. exports of all planting seeds were valued at \$665 million in MY 1991/92.

Diversity Fuels the Industry's Competitive Edge

A fundamental strength of the U.S. turf and forage industry is its product diversity and geographic spread. Turf and forage seeds are grown across much of the United States. This is an industry strength because it reduces the possibility of weather-related supply disruptions and helps ensure a reliable supply for the export market.

Geographic diversity also ensures a diverse product line, because the wide range of climates and soils produces numerous types of grass seeds (see table) adapted to different growing conditions around the world.

According to the Oregon Seed Council and other industry sources, two-thirds of the cool season grasses and 90 percent of the clovers are cultivated in Oregon's Willamette Valley, which is known for its extremely stable climate--a factor that greatly reduces the chance of supply shortfalls. In the case of warm climate grasses, bermudagrass is grown across the Midwest and Gulf Coast with concentrations in Georgia, Alabama and Mississippi. The production of sorghum-sudan hybrids and sudangrass is equally widespread with concentrations in California and Texas. In the case of alfalfas, most of the production is scattered across the Northwestern states and California.

Major Export Markets and the Demand Factors Driving Sales

The EC, Canada, Australia and New Zealand are the U.S. industry's major competitors in world markets. If turf

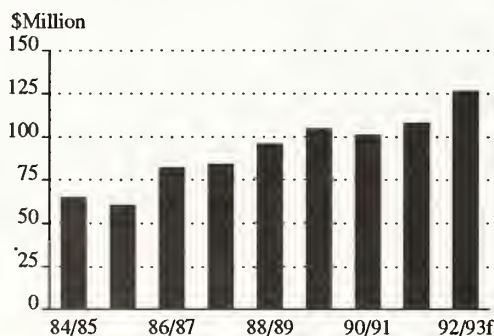
and forage seeds are grouped together, the major markets for U.S. exports are the EC and Canada followed by Japan and Mexico. During the last two marketing years, the EC and Canada each accounted for 20 to 23 percent of U.S. export earnings, followed by Japan and Mexico which each accounted for 15 to 17 percent of total earnings. Argentina and Australia accounted for about 10 percent of total sales combined. Because turfs and forages are used for a variety of purposes and the markets for their seed are completely different, it is useful to separate the two when identifying the demand factors behind the sales.

Turfs are used along roadsides, as residential and public lawns and in the recreation industry for parks, sports fields and golf courses. Higher income countries provide the best sales opportunities for this market, because people in these countries have more leisure time and the purchasing power to beautify roadsides and home lawns.

Turfs are also used for soil erosion control such as ground cover for reforestation. There tends to be a direct correlation between a country's per capita income level and its expenditures on environmental protection. For both reasons, the best markets for U.S. bentgrass, fescues, ryegrasses and bermudagrass are the EC, Canada and Japan.

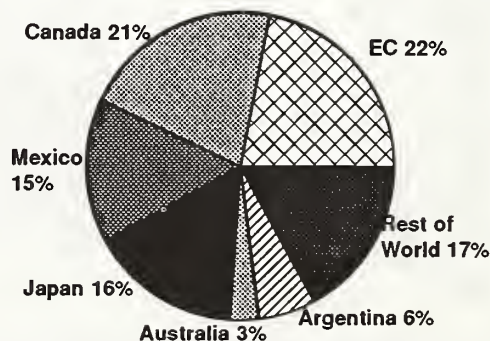
Lower income countries, however, also offer some sales opportunities for turf seeds if their tourism industry is growing rapidly. For such countries with warm climates, bermudagrass overseeded with ryegrass and fescue is popular for golf courses, roadsides and

U.S. Exports Rise Steadily



Note: "f" denotes forecast.

Distribution of U.S. Exports, 1991/92



....Turf and Forage Seeds

Major Types and Export Value of U.S. Turf and Forage Seeds

<u>Types</u>	<u>Use</u>	<u>1991/92 Export Value (\$Million).</u>
<u>Cool Season Grasses</u>		
Bentgrass	Turf	7.9
Fescue, other	Turf	7.0
Bluegrass	Turf	6.9
Ryegrass, perennial	Turf	5.7
Ryegrass, annual	Turf/Forage	5.6
Fescue, tall	Turf/Forage	3.3
Orchardgrass	Turf/Forage	1.7
<u>Warm Climate Grasses</u>		
Burmudagrass	Turf/Forage	17.1
Sorghum/Sudan	Forage	4.1
Sudangrass	Forage	1.8
<u>Other Forages</u>		
Alfalfa, certified	Forage	23.4
Alfalfa, uncertified	Forage	3.8
Clovers	Forage	3.4
Other	Forage	16.2

park lawns. Burmudagrass performs well in the summer heat, but before it dies back in the winter months the two cooler season grasses can be reseeded each fall for a year-round cover of green grass. Poorer countries with significant soil erosion problems also offer excellent sales opportunities.

Forages are used to feed grazing animals, primarily dairy and beef cattle and sheep. They are mostly cut and fed to animals as hay or silage. Alfalfas may also be pelletized and used as feed for poultry and rabbits.

The EC, Japan, and Canada are the major importers of U.S. forage seeds, because their farmers demand high-quality seed genetics to maintain the efficiency of their herds. Within the EC, the largest markets for U.S. exports are Italy, the Netherlands, Spain and Germany. Italy is a major market for U.S. crimson clover, in part, due to its effort in recent years to boost the fat content of milk. The Netherlands and Japan import forage seeds partly due to the scarcity of arable land.

Good markets for U.S. forage seeds also exist in countries where livestock herds are expanding or in countries which have climates poorly suited to grass seed production. In recent years, Mexican importers have purchased sorghum-sudan and alfalfa seeds to support cattle herd expansion. In MY

1991/92, Mexico accounted for 70 percent of U.S. sorghum-sudan grass seed exports, 23 percent of U.S. certified alfalfa seed exports, and about half of U.S. uncertified alfalfa seed exports--the latter is a lower-cost alternative to certified alfalfa seed. Saudi Arabia also imports considerable quantities of alfalfa seed because of the scarcity of suitable soil and water resources.

U.S. Companies and Associations Create New Sales Opportunities

New varieties of grasses are constantly being developed by U.S. universities and companies to improve the performance and adaptability of grasses to various climates, soils, pests and diseases. Agripro Biosciences (ABI), a U.S. firm based in Kansas, recently began marketing Alfagraze™, a new variety of grazing alfalfa developed by the University of Georgia. Keith Flynn of ABI notes, "Unlike most other alfalfas, which are cut and fed as hay to feed livestock, Alfagraze™ can survive the punishment from hooved animals and is an exciting new development for the livestock industry." ABI, which holds exclusive worldwide rights for Alfagraze™, is developing the market in Argentina and the EC which have extensive grazing lands.

To remain competitive, companies that target overseas customers often maintain large research budgets, and usually have several test sites and sales offices in the United States and abroad. Barenbrug USA, a U.S. company known for developing grass varieties for specific usages, is a good case in point. In addition to its extensive team of plant breeders, the company funds activities at test sites at various U.S. universities and uses Plant Breeding International (a Unilever research facility) to develop and improve new varieties. Barenbrug has subsidiaries in five EC countries and a partnership in New Zealand. The effectiveness of this strategy shows up in corporate earnings statements and can have a positive effect on U.S. exports.

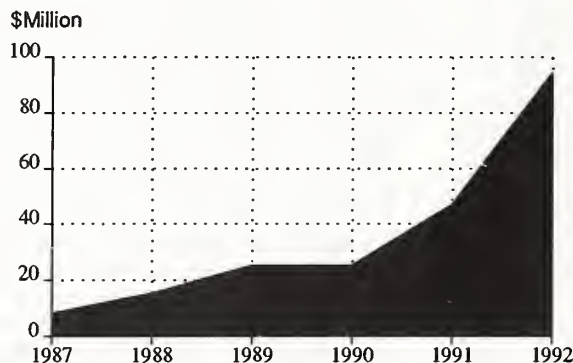
Supported in part by FAS, the American Seed Trade Association and the Oregon Seed Council undertake market research, generic promotion and trade policy related activities to support U.S. seed exports. In addition to carrying out work to protect U.S. industry access to some of its most important markets like the EC and Japan, these associations have identified the republics of the former Soviet Union, Eastern Europe and China as major markets for future long-term sales potential. Mr. Nelson of the Oregon Seed Council cited China as having, "tremendous potentials for new U.S. sales...In descending order of importance, China's priorities are new seeds for better turfs to control erosion, better forages for livestock, and better turfs for beautification projects to attract tourists."

The U.S. turf and forage seed industry has been very innovative in developing new varieties and is becoming increasingly active in pursuing new markets overseas. A large commitment to the development of new varieties and the operation of test sites in promising markets are key to a successful overseas marketing strategy. The firm commitment to biotechnology research by U.S. universities and large corporations coupled with innovative marketing activities promises a bright future for the U.S. seed industry.

For more information, contact Ernest Carter at (202) 720-2922.

Product Snapshots

Pistachio Exports More Than Double, Reaching a Record \$94 Million



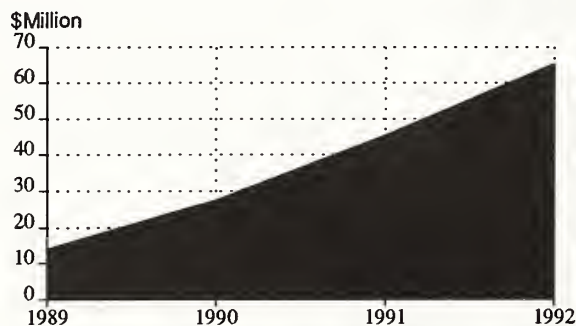
Boosted by extensive promotions, U.S. pistachio exports rose to \$94 million in calendar 1992. This represents a 100 percent gain from last year and a sixfold rise from 1988 levels. Overseas purchases now account for 40 percent of the domestic crop.

Sales of pistachios are up in 9 of the top 10 markets compared with a year ago, and in all but the largest market, gains are in the triple digits. The leading destinations for U.S. pistachios are Hong Kong (\$20 million), Germany (\$16 million), and Taiwan (\$11 million), followed by Canada and Japan, (\$8 million each).

In order to expand exports, the California Pistachio Commission (CPC) has successfully promoted their products as healthful snacks with linkages to a trendy California lifestyle. The CPC is also working to convince wholesalers and retailers of the profit potential of promoting and positioning pistachios in the fresh produce sections of stores. Product sampling and other in-store promotions are also an important part of the CPC promotional strategy. Promotions in Japan have been particularly successful. Japan's Daiei retail chain reported an increase of 80 percent in volume and 95 percent in value due to special displays of pistachios.

For more information, contact Diane Dolinsky at (202) 690-1886.

U.S. Pasta Exports Jump 44 Percent to a New High of \$65 Million



Boosted by a growing demand for healthful, inexpensive and easy-to-prepare foods, exports of U.S. pasta products reached a new high of \$65 million (a 44 percent increase) in calendar 1992. Canada remained the top market, accounting for 80 percent of export sales. Prospects remain bright that sales abroad will reach \$100 million by the late 1990s.

U.S. pasta exports are concentrated in the Western Hemisphere because major competitors such as Italy and Turkey heavily subsidize their pasta production, and many countries impose a 20 percent tariff to protect domestic industry. Canada is the notable exception.

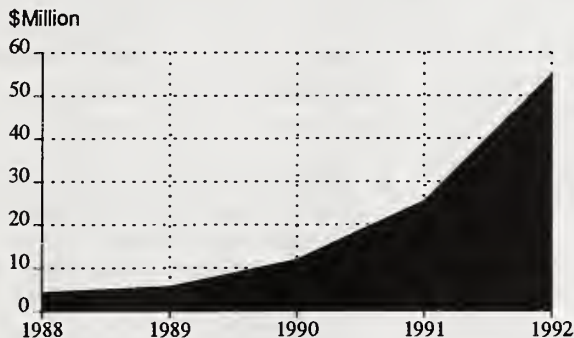
U.S. exporters have capitalized upon pasta's convenience, low cost, and a "good-for-you" image as well as the growing popularity of Italian foods. It represents a nutritious alternative to high cholesterol and high fat foods, and is a food with sophisticated appeal. Pasta used to be a cheaper food of choice, but today even the trendiest restaurants prepare pasta.

The expansion of foreign supermarkets' pasta shelf space is especially favorable for U.S. firms. An assortment of private label offerings and name brand varieties with "gourmet" appeal also enhance sales. They are touted as pasta that's more natural and less refined.

For more information, contact Diane Dolinsky at (202) 690-1886.

....Product Snapshots

Herbal Tea Exports Reach a Record \$55 Million



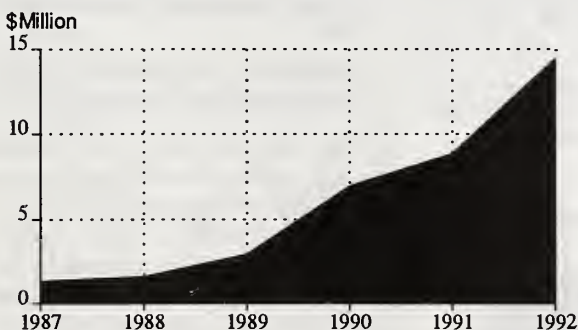
U.S. herbal tea exports continued at record levels in 1992, reaching \$55 million, up more than tenfold from 1988. Sixty-nine percent of their sales are to the EC. The top single-country export markets in calendar 1992 were France (\$24 million), Spain (\$11 million), Canada (\$9 million) and Australia (\$2 million).

As a value-added repackager, the U.S. herbal tea industry does not usually enjoy cost advantage relative to other producers. Nevertheless, it captured market share by concentrating on superior formulation, attractive and flavor-enhancing packaging, and developing ties to specialty and gourmet stores.

Although herbal teas have been consumed in Germany for centuries, they are just catching on in England, France, Denmark and Belgium. Demand in these countries is expected to continue growing during the next 2-3 years. However, European competition is well established and formidable. European firms primarily promote lower-end brands, giving U.S. exporters an opportunity to emphasize the premium aspect of their teas. Despite the EC's 13 percent tariff on herbal tea imports, U.S. marketers were able to move product on the basis of its superior flavor and freshness.

For more information, contact Diane Dolinsky at (202) 690-1886.

Yogurt Exports Reach New High of \$14 Million in Calendar 1992



Foreign demand for U.S. yogurt continued to grow briskly in calendar 1992, with exports registering an all time high of \$14.4 million. Exports in 1992 outpaced the prior year by 62 percent, achieving a ninefold rise since 1988.

The U.S. gained from its broad representation in whole, low-fat and non-fat yogurts; this is especially true in Mexico. By promoting the U.S. quality image of chilled yogurt, and identifying frozen yogurt as a separate product from ice cream, U.S. firms expect to see a \$25 million market within 2-3 years.

Mexico is a rapidly expanding market with great potential. The consumption of yogurt in Mexico is three times higher

than in the U.S. Additionally, the shelf space Mexican supermarkets devote to yogurt is three times greater compared with U.S. supermarkets. Despite 20 percent tariffs and the larger, standard U.S. cup size, both of which cause U.S. product to seem more expensive than domestic lines, the Mexican market is receptive to ongoing promotional efforts.

Mexico accounts for 54 percent of total U.S. yogurt exports, followed by the Netherlands and the U. K. (9 percent each), Canada (6 percent) and Singapore (5 percent). In general, U.S. companies have difficulty competing with European dairy products due to EC subsidies.

For more information, contact Diane Dolinsky at (202) 690-1886.

Feature: U.S. Crab Exports are a Seafood Success Story

The value of U.S. crab exports could soar past the \$600 million by the end of this century if U.S. production can meet global demand. Despite emerging Russian competition, Japan is expected to remain the major U.S. market for crab shipments.

Fueled primarily by rapidly growing Japanese demand, U.S. crab shipments have increased more than ten times since 1984, reaching a record \$448 million in 1992. If this trend continues, U.S. crab shipments could pass the \$600 million level by the late 1990s. More than 90 percent of U.S. crab exports are purchased by the Japanese.

U.S. Exports Driven By Japanese Demand

Japanese demand for crab is driving U.S. exports. More than 90 percent (\$411 million) of U.S. overseas crab shipments went to Japanese consumers in 1992. The U.S. in turn is Japan's major source of imported crab. In 1992, it supplied 60 percent of Japanese global crab imports.

Japan leads the world in consumption, expenditures and imports of seafood products. Despite a rise in beef, pork and poultry meat consumption, seafood remains the foundation of traditional Japanese cuisine. According to Commerce Department statistics, 1991 per capita Japanese consump-

tion of seafood was 105 pounds compared with 61.5 pounds for red meat and poultry. In contrast, USDA's Economic Research Service statistics reveal that the U.S. consumer bought 14.9 pounds of seafood in the same time period.

Consumer surveys reveal that crab is the Japanese consumers' favorite seafood. Import demand nearly doubled from 1987 to 1991. According to Japanese Customs statistics, imported crabs' volume share of total domestic consumption has risen from 25 percent in 1985 to 48 percent in 1989.

Diversity in Crab Preferences

While all varieties of crab are popular in Japan, regional preference differences exist. Whole Dungeness crab is popular in southern Japan. Two varieties of Snow crab, Opilio and Bairdi are very popular in Japan. On a value basis, Snow crabs make up the largest portion of U.S. crab shipments. Virtually the entire U.S. Bairdi catch, a large type of Snow crab that can approach five pounds, is shipped to Japan. King crab, the larg-

est in size and highest priced crab, is also popular in Japan.

...Consumer surveys reveal that crab is the Japanese consumers' favorite seafood....

Japanese consumption and preference for crab is not that same as in the U.S. One major difference is a greater acceptance for the viscera or internal organs of the crab. Whole crab, containing the viscera, especially whole live crab is quite popular. The Oregon Dungeness Crab Commission reports that the viscera of Dungeness crab is highly valued in southern Japan.

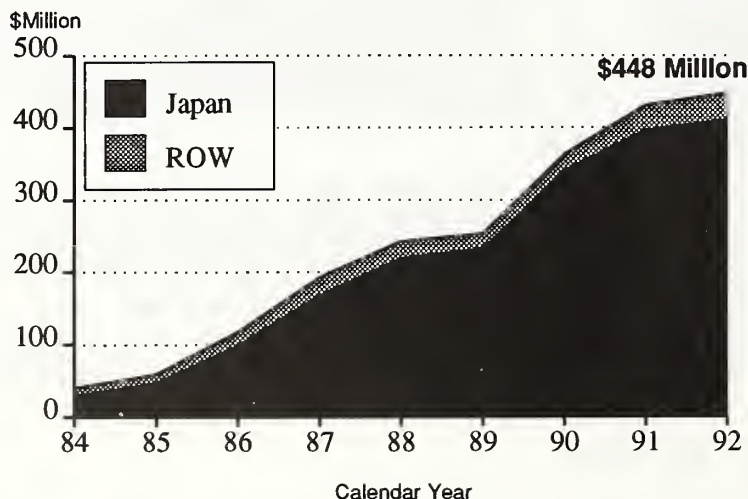
As Japanese crab imports rise, the distribution channels are shifting away from the traditional cumbersome route through fish market auctions toward direct importing by supermarket, discount store, and restaurant chains. The spread of direct purchases make it easier for U.S. crab to reach Japanese consumers. Another route into Japan involves the direct sale of mid-ocean catch from U.S. fishing boats to Japanese processor ships.

Changes in Japanese Lifestyle Affecting Crab Consumption

There are many changes in Japanese lifestyles that are affecting crab consumption. On the retail end, traditional neighborhood seafood shops are gradually being replaced by supermarkets, large retail stores, and convenience stores. Japanese eating patterns are also shifting from seasonal based demand for certain types of crab toward a demand for year round supply of all crab varieties.

Another change, involves the rising demand for live crab as improvement in transportation, the spread of refrigeration, and growing consumer affluence make overseas shipments of live

Growing Japanese Market Helps U.S. Crab Exports Reach Record



....U.S. Crab Exports

Four Main Varieties of Crab Shipped in Frozen Form

King, Snow, Dungeness and Blue crab are the four main varieties of crab harvested in U.S. coastal waters. Snow crabs are classified into several varieties. The major varieties are Tanner, Opilio, and Bairdi. Blue crabs come from the Eastern and Gulf seaboard. King and Snow crab come primarily from Alaskan waters, and Dungeness crabs are harvested off the coasts of Washington, Oregon and California.

While crab and crab meat are purchased by consumers in fresh/chilled, frozen, and prepared and preserved forms, frozen crab makes up 99 percent of shipments. Crab is processed in raw form by blast freezing or cooked and then frozen. The latter is known as "whole cooked." However, live crab shipments are rising to supply an affluent niche market. Prepared and preserved crab is sold as shelled, canned and value added crab products. The larger King and Snow crabs are typically shipped in leg clusters because most of the meat is in the legs.

crab possible for those who can afford it.

Lifestyle changes are having direct affect on the crab market.

Most imported crab is shipped frozen either whole, whole cooked, or in clusters of legs. Frozen crab, including highly-processed crab, has gained acceptance in Japan. One reason involves changes in lifestyle, such as increased numbers of women in the work force, which places a greater value on convenience. Another re-

lated factor is apparently the lack of skills to prepare traditional seafood dishes among young Japanese. Despite the lack of time and cooking knowledge, 80 percent of all seafood is consumed in the home. Supermarkets and seafood specialty stores have responded by offering cooked to order seafood.

U.S. Is Leading Source of Imports

The U.S. typically supplies 50 to 60 percent of the total Japanese import

market. In 1992, the U.S. supplied 62 percent, while Russia is challenging with 15 percent, and Canada and China supply 10 percent of all Japanese crab imports. Other sources of crab are North and South Korea.

The Russian Challenge

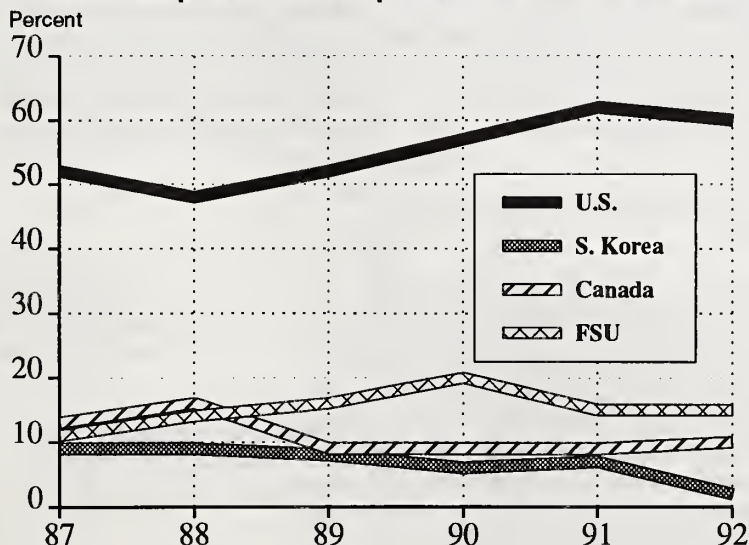
The U.S. dominates the overall Japanese crab market. However in the high-end King crab area, strong Russian price competition has eroded the U.S. share of the King crab market. With 1993 prices nearly half the U.S. King crab price in Japan, the Russian import market share grew from 38 to 74 percent between 1991 and 1992, while, U.S. market share fell from 60 to 25 percent.

In addition to price, another factor making Russian crab competitive is the closing of the quality gap, both real and perceived, between Russian and Alaskan King crab. Previously, Alaskan King crabs superior quality justified the price differential. However, Russian and Alaskan King crab are the same species caught from different sides of the Bering Sea. The difference in quality is due to differences between harvesting and processing technology.

Until recently, the Russian crab industry could not afford the new processing technology which includes blast freezing. Japanese investments, and joint ventures with the Russian crab industry is helping the Russian King crab industry overcome the technology gap.

With the this gap closing, the major barrier in Japan is a perception that Russian King crab is inferior to Alaskan. The window of opportunity to overcome this perception may open this year because lower U.S. harvests may reduce U.S. export supply of Alaskan King crab. Japanese consumers may be forced to try Russian King crab as the only available King crab and discover that the quality gap has closed. Because of these factors, some industry observers feel the Rus-

U.S. Dominates Japanese Crab Import Market With 62 Percent Share



Source: Japan Tariff Association

....U.S. Crab Exports

sian presence in the Japanese King crab market is there to stay.

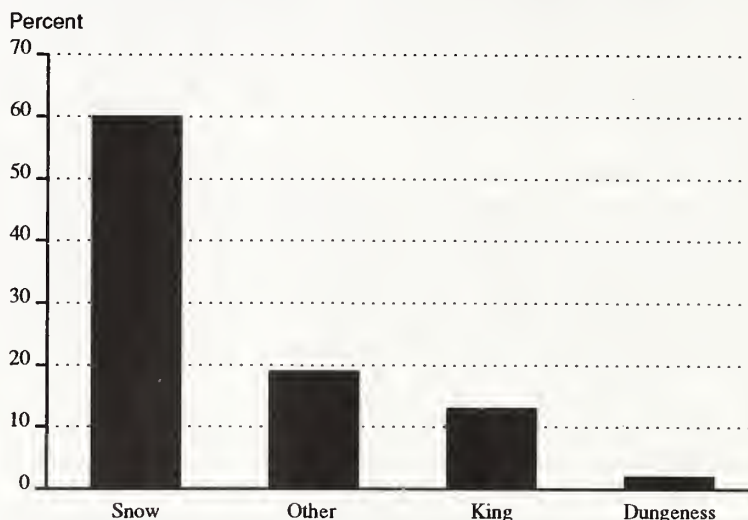
Despite the threat from Russian King crab, the U.S. continues to dominate the Japanese market for crab. The U.S. dominates the larger Snow crab market shipping \$268 million. This is three fourths of Japanese Snow crab import demand compared to fifteen percent by Canada, and seven percent by Russia.

Developing the EC Market

The European crab market although small, at \$2.5 million or only one percent of total U.S. overseas shipments is quite distinctive from Asian markets. EC crab consumers prefer the smaller East Coast Blue crab which is similar to the European species.

Europeans prefer to cook and eat whole crab compared to U.S. consumption of crab leg clusters, and Japanese preferences for larger size Pacific crab. Highly popular are soft shell blue crabs which in the UK are fried and eaten whole. France and the UK consume two thirds of U.S. crab exports to the EC. Recent marketing efforts by the Alaska Seafood Marketing Institute have focused on these two countries as well as Italy. Its principal goal is to introduce the larger Alaskan crab varieties to the trade and target upper middle-income housewives. Restaurant chains in the U.K. have been the focus of promotional efforts through the use of table tents.

1992 U.S. Crab Exports to Japan Led By Snow Crab



France is one of the largest European consumer markets for crab. French demand for crab far exceeds the domestic harvest. Out of a total domestic consumption of 25,400 metric tons, 41 percent was imported. The U.S. currently has a very small share of the crab market, however, Alaskan crab has been successfully promoted through the Mono Prix supermarket chain as part of an American food week promotion. The real constraint towards developing the European market has been the insufficient U.S. supply of crab, the longer distance West Coast crab must be shipped, compared to shipping to Japan, and the higher price Japanese consumers are willing to pay for crab.

The value of U.S. crab exports could climb well past the \$600 million level if the U.S. catch can meet global demand. Japan is expected to remain the major U.S. market for crab exports. While there is strong Russian competition and lower U.S. production in the King crab area, the U.S. continues to dominate the overall crab market in its number one market--Japan. The major problem facing U.S. crabbers is supplying the growing demand of Japanese consumers. Market promotion efforts in Europe are underway to introduce U.S. varieties of crab. In short, if U.S. crab harvests can meet global demand, the rise in crab exports could continue to simmer.

Spiraling Demand Faces Supply Constraint

If present export trends continue, crab shipments could reach a level ranging from \$600 to 900 million by the late 1990s. This projection assumes U.S. crab supply can keep up with domestic and international demand. Unlike most agricultural products, where total supply can be increased by expanding acreage, crab supply is dependent on the wild catch. So far in 1993, the King crab catch has dropped sharply in Alaska, where the bulk of U.S. crab is harvested. The sharp drop of the Alaskan King crab catch may result in limits on fishing so that the crab stocks can recover. According to some industry sources and the trade press, many feel Alaskan coastal waters cannot sustain current harvest levels. Absent the development of crab aquaculture, there is apparently little that can be done to indefinitely increase crab supplies in Alaskan waters.

For more information, contact Robert Tse at (202) 720-1294 or Steve Beasley at (202) 720-1347.

Trade Policy Updates

Japan Approves Imports Of Three New Nectarine Varieties

Approval of the May Glo, May Diamond, and Mayfire nectarine varieties from the United States was announced on March 30. The United States complained at the October 1992 Trade Committee and in the 1993 National Trade Estimates report that Japan's requirement for separate phytosanitary approval of each variety of a given fruit is an unnecessary trade barrier. Japanese farmers, meanwhile, strongly protested the nectarine approval. Japan now imports U.S. fresh citrus, cherries and nectarines, but continues to ban apples, peaches, pears, tomatoes and potatoes. Annually, U.S. exports of nectarines to Japan range from \$10-500 thousand.

Hungary Retaliates On EC Ban On Central European Meat And Dairy Products

The EC imposed a ban on imports of meat and dairy products from Central Europe because a recent Foot and Mouth Disease (FMD) outbreak in Italy was suspected to have been caused by the import of cattle from Croatia. The EC ban interferes with a large amount of Hungarian exports of meat products at reduced tariff rates under the EC-Hungary Association Agreement. Hungary, surprised by the EC decision because the EC had just examined the Hungarian animal health situation and had declared it adequate, immediately retaliated by imposing an import ban on live animals, carcasses, meat products, milk and dairy products from the EC. The Hungarian ban could affect \$120 million worth of EC exports to Hungary.

India Institutes Some Export-Import Policy Changes

Increased imports of certain agricultural items could result from policy changes, announced by the Government of India on March 31, designed to permit a greater number and increased volumes of agricultural and food items to be exported from India. One aspect of the new policy is that if 50 percent of an item's production is exported then imports necessary to produce that item can enter duty-free. Agricultural items such as feeds for poultry and shrimp, and poultry grandparent stock should see a positive impact. A corollary is that, with a gain in exports expected, certain think-tanks in India are advocating that India move closer to the position of the Cairns Group at the Uruguay Round.

New Japanese Foreign Minister's Rice Comments

Mr. Kabun Muto, who replaced ailing Michio Watanabe last week as Japan's Foreign Minister, discussed the issue of importing foreign rice at his first press conference on April 7. According to press reports, Mr. Muto said "The way of thinking of not permitting even a single grain to come in forever will not be accepted. At the negotiations, we should hold talks frankly on each other's weak points, make compromises and concessions, and we ought to display leadership in the creation of better GATT rules even if they may not be 100 percent perfect." He added, "I want to be very prudent about the rice problem. I will continue the posture of respecting the Diet resolution." Comment: Foreign Minister Muto's comments are representative of the conflicting views within the LDP which seeks to balance domestic desires for maintaining self-sufficiency in rice against the party's international need to be perceived as a team player in the GATT process.

EC Council To Decide On Oilseeds In June, Not May

EC Commissioner for External Trade and Relations, Sir Leon Brittan, has told USTR Kantor that, due to some Member State opposition, the Blair House Agreement on oilseeds would be taken up by the EC Council in June and not on May 10, as earlier indicated. In other Blair House developments, the Council was expected to approve the extension of the Enlargement Agreement on April 19, but a decision on malt sprout pellets has been delayed until the April 23 Environment Council, because of Greece's desire to review the agreement in the Greek language. Brittan had earlier assured Kantor that the Blair House agreement on oilseeds would be adopted by May, with the other Blair House agreements (corn gluten feed, malt sprout pellets and enlargement) implemented by April 19.

...Trade Policy Updates

Poland's Economic Committee Endorses Variable Levies For Agricultural Products

On March 23, the Economic Committee of the Polish Cabinet approved a proposal to introduce variable levies on imports of selected farm products. The measure is designed to provide relief to domestic producers by raising import prices to the level of administratively-determined domestic prices. Given agrarian interests, continued pressures on the government and the government's desire to shore up support for ongoing economic reforms, the variable levy may be adopted by the full cabinet and by parliament in the near future. This contemplated action, along with Poland's recent refusal to suspend duties on selected U.S. products, seems to confirm its desire to adopt a policy not dissimilar to the EC's Common Agricultural Policy -- a move that does not bode well for U.S. agricultural exporters.

Feed Grains Case Presented to Japan's Trade Ombudsman

The U.S. Embassy in Tokyo made a second presentation to the Japanese Government regarding problems associated with feed grain access to the Japanese market. The presentation was made to the Japan Fair Trade Commission, Office of the Trade Ombudsman (OTO) on March 19 in Tokyo. One OTO commission member responded with a prepared text criticizing the United States for wanting to sell both beef and feed grains to Japan. In tandem with the U.S. Embassy presentation, a Japanese dairy farmer from Hokkaido also presented his complaint that farmers do not have direct access to duty-free corn for on-farm mixing and feeding. The farmer requested that the GOJ discontinue the feed formula point system, eliminate the tariff rate quota on duty-free corn, and eliminate the linkage between corn imports and protection of Japanese domestic potato farmers. The OTO was designated in the Structural Impediments Initiative to hear complaints on market access from foreign governments and companies. Their report, due in March, but delayed for a few weeks, is to summarize the complaints received and comment on Japan's expected response.

Japan: New Labeling Guidelines For Poultry Meat

The Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) plans to establish new labeling guidelines for poultry sold at department stores and supermarkets by the fall of 1993. MAFF's new guidelines will request retailers to label imported meat as imported and indicate the country of origin. While not mandatory, administrative guidelines are usually strictly followed by companies. Retail outlets selling beef and pork have been under similar guidelines for several years. Domestic beef and pork producers were feeling increased competition and thought new labeling requirements would dampen demand for imported meat. It is no secret that the plan backfired and consumers are purchasing beef and pork at record levels. Although it appears that the intent of the new labeling guidelines is to discriminate against imported poultry which now has about 30 percent market share, AgTokyo believes that the effort will backfire again. Japan is the largest market for U.S. poultry meat exports (\$152 million in 1992) with tariffs in the 5-14 percent range.

China Reorganizes Economic and Foreign Trade Ministries At People's Congress

China has reshuffled its trade responsibilities to reflect greater emphasis on a market economy and decreased role for old-fashioned, centralized state planning. The current State Council, State Planning Commission, and the Ministry of Foreign Economic Relations and Trade (MOFERT) have reformed many of their functions to become, respectively, the State Economic and Trade Commission, the State Commission for Restructuring the Economic System, and the Ministry of Foreign Trade and Economic Cooperation (MFTEC).

...Trade Policy Updates

Georgia Issues Coupons To Bolster Currency Supply

To counter Russia's refusal to increase ruble disbursements into the state of Georgia, officials report that coupons have been issued. The two forms of currency are interchangeable on a 1:1 basis, but some restrictions on ruble use for food purchases were introduced. For the balance of 1993, it is hoped the new coupon will be the primary currency in circulation; Georgia expects to introduce a new currency next year. It has been four months since Russia released any rubles, and Georgian workers have little or no cash to purchase food and other staples. The Government of Georgia is printing one batch of coupons, and expects to receive many of them back as consumers use them to buy food.

Market Updates

Despite Ban, Thailand Imports U.S. Soybeans

Thailand's short soybean crop in 1992 has forced the government to allow oilseed crushers to import 46,000 tons of soybeans in March-April, all reportedly contracted from the United States. Thailand normally bans soybean imports, but the GOT permitted imports in 1992 due to a drought which lowered the area and yield of the 1992 soybean crop. Thailand imported 160,000 tons in calendar year 1992, with 80 percent being supplied by the United States. Brazil and China were the other suppliers.

Exhibitors At American Food Fair 1993 In Taipei Profit From Fast Growing Taiwan Market

Forty-three U.S. exhibitors promoted a wide variety of consumer-oriented food products at American Food Fair '93, April 17-19. The show highlighted for the 1,700 Taiwan buyers in attendance the various ways U.S. products can be used in Chinese cuisine. Based on the exhibitors' post-show evaluations, FAS estimates the show will facilitate almost \$5 million in additional consumer-oriented food exports to Taiwan during the coming year.

EC Membership Would Trim Norway's Generous Dairy Subsidies

Reducing its liberal national milk production subsidies could be one of the most difficult agricultural issues facing Norway in its forthcoming negotiations for European Community (EC) membership, according to a recent report in a Norwegian farmers' daily newspaper. Whereas EC dairy farmers receive a maximum annual subsidy of NDK 1,200 (USD 170) per cow, Norwegian farmers receive amounts ranging from NDK 6,000 (USD 845) for farmers on prime land in southern Norway to NDK 37,500 (USD 5,282) for a 5-cow dairy in the far north. Preserving "arctic agriculture" through retention of generous subsidies will be a goal of Norway's EC negotiators. Norway's total farm subsidies, amounting to NDK 15.6 billion (USD 2.2 billion) or 4.1 percent of government spending in 1993, make Norwegian agriculture, measured in producer subsidy equivalents, the most generously supported in Europe, even exceeding Switzerland, according to recent OECD data.

New Zealand Refinances Russian Butter Debt

On a recent trip to Moscow, the Prime Minister of New Zealand and the Chairman of the Dairy Board signed an agreement for the partial repayment of Russia's US\$140 million debt to the Dairy Board. If fulfilled, this agreement also will allow for new sales of butter to Russia. The agreement calls for Russia to repay US\$40 million in coming months. Upon payment, the Dairy Board agreed to sell two-thirds of the value of this repayment to Russia in the form of butter, with 360 day terms. If the total of US\$40 million is paid, about 20,000 tons of butter would be sold and the Russian debt would be reduced by one-third of US\$40 million or about US\$13 million. While being aware that unsettled conditions in Russia could affect this arrangement, the Dairy Board believes the agreement improves the prospects for at least some repayment of the Russian debt.

Failure of Coffee Negotiations To Meet Deadline May Delay World Price Recovery

The recent London meetings of the Coffee Negotiation Conference failed to meet the March 31, 1993 deadline set by the International Coffee Organization (ICO) to reach a successful conclusion for a new International Coffee Agreement (ICA). Although delegates were able to agree on a definition of a universal quota, the principle of controls, and on "selectivity" (availability of types and qualities of coffee required by consuming countries), they were unable to reconcile their differences on how and when to review the selectivity system. The ICO Executive Board will likely meet later this month to make recommendations on whether the ICA should exist without economic provisions and should it be extended for an additional year. The ICO Council is scheduled to meet May 10-14, 1993 to make a decision based on the Board's recommendations. The current (1983) ICA failed because of discount sales to non-members by producers, disagreement over the distribution of export quotas, and selectivity. Export quotas have been suspended since July 1989, and coffee prices and foreign exchange earnings of producer-nations have been in a downward spiral since these restraints were lifted. In September 1991, the 1983 ICA was extended without economic provisions until Sept. 30, 1993, when it is scheduled to expire.

...Market Updates

Rumored Threats To Mexican Imports Of U.S. Dairy Products

The National Association of Dairymen of Mexico has denied media reports that it is advocating initiation of an anti-dumping investigation against U.S. and EC exporters of cheese, yogurt, and ice cream. Other sources have indicated that any such anti-dumping investigation would more likely be directed primarily against dairy product imports from the EC. Mexican cheese manufacturers have also expressed concern about imports of U.S. and Canadian fresh and soft cheeses, for which import licenses are required, which are allegedly being illegally imported by misclassifying them as hard or mature cheeses that do not require import licenses. In addition, a stricter enforcement of Mexican bacterial culture requirements could force yogurt imported from the United States to be labeled only as a "dairy product." This could jeopardize Mexico as the leading market for U.S. yogurt exports, which were valued at \$12.9 million in 1992. Mexico was also the number-one market in 1992 for U.S. cheese exports, valued at \$15.4 million; at \$7.5 million, Mexico was the third-largest market for U.S. ice cream exports.

Italian Foot-and-Mouth Disease Outbreak Distorts Trade

On March 17, the EC Standing Veterinary Committee voted for an immediate ban on imports of Italian livestock into other EC member states, effective until March 31, 1993. The ban is in response to recent Italian outbreaks of foot-and-mouth disease. In addition to livestock, exports of Italian fresh meat, meat products and selected dairy products processed between February 1 and March 31 have also been banned to other member states. According to Italian press reports, cattle imports from Croatia caused an outbreak of foot-and-mouth disease in Italy. However, Ministry officials have not confirmed these reports. The outbreak was first noted in the southern Italian region of Basilicata but later outbreaks also occurred in northern regions. Ministry sources confirmed that thousands of animals contracted the disease. Veterinary authorities are concerned because this particular strain of the virus is apparently a new strain.

As a result of fears that imported cattle from noninfected areas also may soon be infected, Italy has banned the import of all cattle. The import ban is not expected to be lifted in the near future. Italy is the largest importer of cattle in the EC. In addition, the Austrian cattle industry is very concerned and will be looking for new markets. Austria traditionally sends 60 percent of its cattle and beef to Italy. The main alternative market for Austria is expected to be Germany, although prices are significantly lower than in Italy.

Mexican Dumping Investigation Expands To All U.S. Pork Exporters

The Mexican Ministry of Commerce (SECOFI) has expanded its dumping investigation to encompass all U.S. pork exporters and also has extended the response deadline to their questionnaire. On March 5, SECOFI initiated a dumping investigation directed at five U.S. companies with a response deadline around the end of March. Subsequently, SECOFI expanded distribution of the in-depth questionnaire to the U.S. Meat Export Federation, the National Pork Producers Council, and the American Meat Institute. The intent is for these groups to distribute the questionnaires to any interested U.S. pork exporters. April 16 is the new deadline for responses and a preliminary determination is not expected until the beginning of June. The final determination will be made some time in the fall of 1993. If dumping is found, dumping margins for exporters that fill out the questionnaire will be determined on an individual basis. For other exporters, an average margin taken from a sample of answered questionnaires will be applied.

Any ruling on dumping will be applied to all U.S. shipments. Determinations will be made on a product-by-product basis. The case is based on allegations by the Mexican pork producers that they cannot compete with imported pork from the United States (and also Canada). Leaders of the Mexican producers stated that their ultimate goal is to negotiate "managed" trade, in other words, quotas on U.S. pork exports to Mexico.

...Market Updates

EC Intervention Grain Stocks Reach Record

The EC could end the 1992/93 (July/June) year with record intervention grain stocks, which would add to impending new crop exportable supplies and would pressure world prices. Present stocks, at 25.7 million tons, are less than a million tons below this year's record starting level, despite a record 11.5 million tons sold out of intervention stocks--most of which was exported. With farmers' concerned about low market prices, storage limitations, and impending price support changes under CAP reform, intervention facilities filled early in the season. Purchases had been expected to drop off by now, but a million tons were taken over the past two weeks, and another 4 million tons have been offered by farmers to intervention agencies.

New EC Directives Cause Havoc For U.S. Seafood Exporters

French threats to seize U.S. turbot exports are but one example of a growing list of trade problems faced by U.S. seafood exporters in the European Community (EC). Implementation of three new directives in January heightened the difficulties faced by all countries exporting live, fresh, frozen, or processed fisheries and aquaculture products into the EC. The turbot case involves the alleged presence of an FDA-approved water retention agent which is currently banned in France. U.S. exporters have scrambled since January to interpret the new directives which call for a myriad of monitoring and certification responsibilities including issuance of health certificates, lists of approved processing facilities, product markings traceable to specific plants, implementation of an HACCP inspection system, environmental pollution assessments, etc. Confusion reigns even within the Community, with reports of seafood shipments passing inspections at Dutch ports only to be rejected and confiscated at the French border.

Japan's Main Cotton Spinning Mill Will Cut Textile Output By Half

Unitika, Ltd., one of Japan's leading textile makers, plans to cut textile production 50 percent at its main cotton spinning facility by March 1994. The factory intends to reduce its full-time workforce of 530 by half, let go 80 part-time workers and not replace 60 positions vacated by retirement because of sluggish cotton yarn sales and an increase in cheap yarn and other textile imports. Accordingly, Japan's raw cotton buying would be expected to decline further. U.S. cotton commitments to Japan are trailing last year's by 20 percent. The U.S. is forecast to export a little over 1 million bales to Japan this year compared with 1.1 in MY 1991/92 and 1.2 million in MY 1990/91.

Aggressive Barley Sales By Subsidizing Competitors

The EC and Canada continue to aggressively sell barley into world markets. In the last few weeks, Algeria bought 150,000 tons of French barley at \$112/ton C&F and Jordan bought 50,000 tons of Canadian barley at \$108/ton C&F. (U.S. barley prices are around \$116/ton FOB Gulf without subsidy.) These highly-subsidized sales are in response to low prices for other feed grains, including feed wheat, and to looming stock build-ups. The EC's intervention barley stocks are likely to reach a record 7.5 million tons by the end of the current marketing year.

Russia Makes Overdue Payments On EC Grain Credits

Russia recently paid the EC an overdue \$25 million payment for credit-supported grain shipments. Unused credit may now be registered without interruption until July, when the next, much larger, payment is due. The countries of the former Soviet Union (FSU) have a \$1.7-billion EC credit program, including \$450 million for Russia. This program has permitted the EC to take a record 50-percent share of FSU wheat imports during the current marketing year, including about 2.5 million tons to Russia. The EC's willingness to continue shipping grain to all FSU countries, even while Russia was in default, contributed to this larger market share.

...Market Updates

EC Approves Intervention Storage For Pork

On March 15, the EC Pig Meat Management Committee agreed to introduce a Community-wide Private Storage Aid (PSA) scheme for pork. This intervention stock program goes into effect on March 22, and the period of storage is fixed at either six or seven months. The rates of aid include amounts ranging from 217 ECU per ton (\$256) for bellies to 419 ECU (\$494) per ton for loins. To assist exports to Eastern Europe, presentation of half carcasses with the head on will be permitted. The EC Commission has reserved the right to impose safeguard measures if excessive use is made of the scheme. While the EC Commission has storage aids in place for beef, pork stocks have not historically been supported.

Russia Rejects U.S. Meat and Poultry Export Certificate

Rejecting FSIS Form 9060-5, Meat and Poultry Certificate of Wholesomeness, because it does not conform to Russian veterinary and sanitary standards, the Veterinary Administration of the Russian Ministry of Agriculture has forbidden further imports of U.S. meat and poultry accompanied by this certificate. The Ministry of Agriculture has suggested that Russian and USDA authorities meet to formulate veterinary certificates that comply with Russian import requirements, and FSIS has offered to send a team to Moscow. FSIS has requested that the current form continue to be accepted by the Russians for a 6-month grace period, until a position satisfactory to both sides is established. The Russians also contend that a new form will need to be developed for dairy product imports. FSIS Form 9060-5 is accepted by most other countries which import U.S. beef and poultry products.

Ukraine Purchases Kazakh Wheat and EC Barley

Ukraine has purchased 500,000 tons of wheat from Kazakhstan and 350,000 tons of barley from the EC to augment domestic supplies. Ukraine bought the wheat on commercial terms and will pay with cash and bartered commodities. The EC's barley purchase was financed by 90- 180-day private credit drawn on a European bank. Ukraine is expected to import more grain to satisfy demand. France has offered Ukraine a \$90 million (French franc equivalent) COFACE credit to finance sales of farm equipment and 350,000 tons of wheat. An agreement to reschedule former USSR debt, newly signed by Paris Club members, has prompted France to reconsider credit for Ukraine, an idea it shelved last fall.

Malaysia Continues Aggressive Credit Policy To Gain Algerian Oil Market

Malaysia is expected soon to offer Algeria an additional \$50 million of credit to help Algeria complete a 200,000 ton purchase of palm oil this year. To date, Algeria's palm oil purchases are estimated at 80,000 tons. Earlier this year, Algeria entered into an agreement to buy oil from Malaysia, and received a \$50 million credit package at that time. Algeria is the leading export market for U.S. vegetable oil exports, taking 177,000 tons of U.S. sunflowerseed oil, soybean oil and cottonseed oil in calendar year 1992 under the EEP and SOAP programs.

U.S. Cotton Exports For MY 1992/93

U.S. cotton exports are forecast to account for only 26 percent of world exports this marketing year, compared to 30 percent in MY 1991/92, and 34 percent in MY 1990/91. At the same time, U.S. ending stocks are expected to be 16 percent higher than in MY 1991/92, and 83 percent higher than in MY 1990/91. Loss of world market share by the United States is mainly attributed to severe price undercutting by cotton producing republics of the former Soviet Union, which has permitted the displacement of U.S. sales to traditional markets in Europe, East Asia and Southeast Asia.

Australian Cotton Spinners Request Anti-Dumping Investigation

The Australian Customs Service has initiated an inquiry into an application lodged by the Australian yarn spinners for countervailing duties against certain cotton yarns exported to Australia from Pakistan and Brazil. The application alleges that certain cotton yarns are being exported to Australia from Pakistan at subsidized prices, and from Brazil at dumped prices. It also alleges that these exports are causing hardship to the Australian industry by price undercutting, price depression, inadequate returns on investment, and loss of market share. The goods under inquiry are undyed cotton yarns.

EEP 3rd Country Buyer Option Meets Mixed Success

The shortage of hard currency and credit in the Former Soviet Union (FSU) has stymied potential U.S. grain sales. Additionally, the FSU's proximity to Europe makes this important U.S. market vulnerable to subsidized EC commodities. As early as August 1992, USDA modified EEP to encourage third-country buyer sales. To date, these sales account for over 1.5 million metric tons of wheat destined for the FSU. These sales, made without credit guarantees, typically involve some type of compensatory trade--barter, countertrade, offsets and escrow accounts. While this option is available for wheat, barley, rice, vegetable oil, frozen pork, barley malt, sunflowerseed oil and dairy products, sales of commodities other than wheat and barley have not occurred.

Talks With Korea On Technical Issues Offer Prospect of Gains For Horticultural Products Pending Further Reviews

Consultations on food safety and phytosanitary issues between the U.S. and Korea in Washington on March 24-27 offered prospects for easing Korean Barriers on imports of U.S. horticultural products, pending the success of additional technical reviews to be conducted during the coming months. The U.S. side expressed concern over the impossibility for complying with Korea's proposed "green card" system, which would provide for itemizing, upon importation into Korea, all agricultural chemical compounds used in the production, processing and storage of agricultural commodity shipments, including fruits and vegetables. The Korean Ministry of Health and Safety Affairs (MOHSA) replied that the system would be voluntary and shipments not certified under the green card system would receive the same inspection and handling currently given to imports not covered by the proposed system. The Korean side also indicated that it hopes to increase the number of pesticide residue tolerances to about 100 by the end of 1993 from the current level of 32 and that the CODEX standard would be taken into consideration in the handling of cases involving unregistered pesticide residues. Korea appeared to move closer to lowering its codling moth barrier on imports of U.S. vacuum packed, shelled walnuts, contingent upon a favorable review of the method and effectiveness of methyl bromide fumigation. The Korean side also appeared willing to further review the method and efficacy of the vapor heat treatment proposed by the U.S. to control several types of fruit flies in fresh papayas. For Florida citrus, Korea appeared willing to accept three options to contain the Caribbean fruit fly: cold treatment, methyl bromide fumigation and quarantine safeguards (pest-free zones).

U.S. Agricultural Exports by Commodity Type

Fiscal Year 1988-1992 and Year to Date Comparisons

(In thousands of dollars)

Product	Fiscal Years (Oct-Sept)					October - February	
	1988	1989	1990	1991	1992	FY 1992	FY 1993 Change %
BULK COMMODITY TOTAL							
Wheat	19,360,317	22,295,489	21,785,568	17,610,418	19,556,582	9,116,560	9,260,666 1.6
Coarse Grains	4,470,267	6,020,571	4,224,046	2,856,570	4,319,227	1,942,982	2,080,054 7.1
Rice	5,116,109	7,250,439	7,971,761	5,653,145	5,659,056	2,354,365	2,442,914 3.8
Soybeans	728,969	955,826	829,505	751,944	757,799	327,697	329,546 0.6
Cotton	5,023,842	4,085,412	3,940,192	3,464,170	4,311,430	2,417,284	2,678,146 10.8
Tobacco	2,150,111	2,058,885	2,719,485	2,619,294	2,194,588	1,097,133	683,387 -37.7
Pulses	1,297,054	1,248,719	1,359,233	1,532,822	1,568,483	622,173	707,315 13.7
Peanuts	210,872	269,587	320,000	329,993	218,263	122,929	96,560 -21.5
Other Bulk Commodities	141,989	195,751	217,504	153,210	244,601	116,589	108,370 -7.0
	221,103	210,298	203,842	249,270	283,135	115,408	134,374 16.4
INTERMEDIATE TOTAL							
Wheat Flour	8,615,566	8,875,032	8,569,981	8,492,626	9,237,737	4,129,200	4,077,325 -1.3
Soybean Meal	170,388	254,756	202,492	200,874	162,804	55,044	85,150 54.7
Soybean Oil	1,469,822	1,356,766	1,020,449	1,009,698	1,333,981	646,902	595,027 -8.0
Other Vegetable Oils	436,813	404,369	339,002	191,823	356,225	137,017	163,126 19.1
Feeds & Fodders (Excl Pet Foods)	450,987	415,722	393,571	411,505	490,555	193,633	205,160 6.0
Live Animals	1,552,578	1,631,539	1,571,287	1,584,959	1,699,662	725,183	765,506 5.6
Hides & Skins	535,347	553,744	457,150	654,378	684,741	360,964	253,672 -29.7
Animal Fats	1,834,438	1,697,009	1,772,828	1,438,733	1,316,667	531,959	506,117 -4.9
Planting Seeds	527,904	524,329	467,976	404,260	479,527	188,303	228,773 21.5
Sugars, Sweeteners, & Beverage Bases	406,732	498,057	578,319	624,909	667,236	392,672	380,344 -3.1
Other Intermediate Products	286,078	366,951	519,433	621,328	599,375	256,836	247,530 -3.6
	944,480	1,171,791	1,247,475	1,350,159	1,446,965	640,688	646,919 1.0
CONSUMER - ORIENTED TOTAL							
Snack Foods (Excl. Nuts)	7,360,473	8,352,422	9,766,813	11,431,178	13,521,311	5,575,213	5,946,846 6.7
Breakfast Cereals & Pancake Mix	252,350	349,027	477,301	591,653	781,532	319,443	397,848 24.5
Red Meats, Fresh/Chilled/Frozen	54,498	82,200	133,068	219,290	196,823	82,910	117,281 41.5
Red Meats, Prepared/Preserved	1,693,604	2,219,902	2,296,413	2,593,685	3,018,770	1,213,782	1,238,924 2.1
Poultry Meat	101,230	112,355	127,761	154,438	176,904	73,785	80,670 9.3
Dairy Products	424,463	508,186	630,704	737,690	914,962	391,581	418,072 6.8
Eggs & Products	540,922	489,640	352,650	356,591	718,030	276,493	380,478 37.6
Fresh Fruit	109,903	100,968	96,146	137,157	136,745	62,341	62,692 0.6
Fresh Vegetables	1,065,708	1,112,545	1,363,196	1,522,803	1,737,141	694,575	599,641 -13.7
Processed Fruit & Vegetables	316,602	361,263	607,415	831,268	863,191	341,510	387,072 13.3
Fruit & Vegetable Juices	811,975	968,244	1,186,418	1,354,513	1,526,755	622,787	656,424 5.4
Tree Nuts	258,274	284,384	351,104	367,723	467,121	171,282	161,715 -5.6
Wine and Beer	779,721	693,607	744,938	821,566	944,828	509,432	472,745 -7.2
Nursery Products & Cut Flowers	145,907	195,839	244,900	307,159	350,521	121,857	138,733 13.8
Pet Foods	80,005	99,554	173,354	194,507	200,981	81,175	79,969 -1.5
Other Consumer - Oriented Products	124,241	165,460	218,146	308,871	377,665	156,813	188,581 20.3
	601,068	609,250	763,299	932,263	1,109,342	455,447	566,003 24.3
AGRICULTURAL TOTAL							
	35,336,356	39,522,943	40,122,362	37,534,222	42,315,630	18,820,973	19,284,837 2.5

Note: Fiscal Years (FY) are on an October - September split year basis. FY 1993 is actually October 1992 through September 1993.

Note: * Denotes Highest Export Levels Since at Least FY 1970

U.S. Agricultural Exports by Major Commodity Group

Monthly and Annual Performance Indicators

	February			October–February			Fiscal Year		
	1992	1993		1991/92	1992/93		1992	1993(f)	
	-- Bil.\$ --	-- Bil.\$ --	Change	-- Bil.\$ --	-- Bil.\$ --	Change	-- Bil.\$ --	-- Bil.\$ --	Change
Grains & feeds 1/	1.258	1.299	3%	6.045	6.456	7%	14.095	14.0	-1%
Wheat & Flour	0.416	0.455	9%	1.998	2.165	8%	4.482	4.8	7%
Rice	0.048	0.077	61%	0.328	0.330	1%	0.758	0.7	-8%
Feed grains 2/	0.519	0.457	-12%	2.354	2.443	4%	5.659	5.3	-6%
Corn	0.390	0.347	-11%	1.850	2.021	9%	4.593	4.3	-6%
Feeds & fodders	0.183	0.202	11%	0.882	0.954	8%	2.077	2.1	1%
Oilseeds & products	0.821	0.912	11%	3.793	4.003	6%	7.338	7.4	1%
Soybeans	0.548	0.642	17%	2.417	2.678	11%	4.311	4.3	-0%
Soybean meal	0.127	0.121	-5%	0.647	0.595	-8%	1.334	1.1	-18%
Soybean oil	0.037	0.039	7%	0.137	0.163	19%	0.356	0.4	12%
Other vegetable oils	0.050	0.050	-1%	0.194	0.205	6%	0.491	NA	NA
Livestock products	0.483	0.422	-13%	2.493	2.443	-2%	5.973	6.2	4%
Red meats	0.249	0.214	-14%	1.169	1.214	4%	2.935	3.1	6%
Hides & Skins	0.112	0.089	-21%	0.532	0.506	-5%	1.317	1.3	-1%
Poultry products	0.090	0.094	4%	0.511	0.541	6%	1.195	1.3	9%
Poultry meat	0.067	0.068	2%	0.381	0.402	6%	0.887	NA	NA
Dairy products	0.069	0.062	-10%	0.284	0.391	38%	0.733	0.6	-18%
Horticultural products	0.565	0.534	-5%	2.842	2.868	1%	6.844	7.2	5%
Unmanufactured tobacco	0.122	0.130	6%	0.622	0.707	14%	1.568	1.6	2%
Cotton & linters	0.241	0.142	-41%	1.097	0.683	-38%	2.195	1.9	-13%
Planting seeds	0.076	0.068	-11%	0.393	0.380	-3%	0.667	0.7	5%
Sugar & tropical products	0.125	0.148	18%	0.740	0.813	10%	1.706	1.7	-0%
Forest Products 4/	0.552	0.600	9%	2.711	2.891	7%	6.761	NA	NA
Total Ag. export value	3.850	3.810	-1%	18.821	19.285	2%	42.314	42.5	0%
	-- MMT -- Change			-- MMT -- Change			-- MMT -- Change		
Grains & feeds 1/	9.048	9.461	5%	44.943	47.801	6%	NA	NA	NA
Wheat	3.133	3.228	3%	16.865	15.811	-6%	34.289	35.5	4%
Wheat flour	0.107	0.152	42%	0.288	0.435	51%	0.808	0.9	11%
Rice	0.131	0.238	82%	0.988	1.047	6%	2.281	2.3	1%
Feed grains 2/	4.513	4.544	1%	20.994	24.402	16%	50.195	52.5	5%
Corn	3.348	3.453	3%	16.355	20.176	23%	40.597	42.5	5%
Feeds & fodders	1.001	1.125	12%	4.928	5.124	4%	11.711	11.9	2%
Oilseeds & products	3.371	3.746	11%	15.312	16.702	9%	28.881	28.8	-0%
Soybeans	2.465	2.851	16%	10.884	12.236	12%	19.247	19.8	3%
Soybean meal	0.609	0.611	0%	2.978	2.919	-2%	6.301	5.5	-13%
Soybean oil	0.078	0.085	9%	0.294	0.322	9%	0.747	0.8	7%
Other vegetable oils	0.079	0.084	7%	0.294	0.345	17%	0.782	NA	NA
Livestock products 3/	0.195	0.217	11%	1.094	1.191	9%	2.770	NA	NA
Red meats	0.072	0.062	-14%	0.359	0.363	1%	0.870	1.0	15%
Poultry products 3/	0.059	0.069	17%	0.344	0.401	17%	0.821	NA	NA
Poultry meat	0.057	0.067	18%	0.329	0.384	17%	0.787	0.9	14%
Dairy products 3/	0.038	0.039	2%	0.159	0.216	36%	0.399	NA	NA
Horticultural products 3/	0.490	0.474	-3%	2.422	2.413	-0%	5.951	6.5	9%
Unmanufactured tobacco	0.021	0.024	13%	0.104	0.121	16%	0.246	0.2	0%
Cotton & linters	0.167	0.111	-33%	0.721	0.514	-29%	1.527	1.4	-8%
Planting seeds	0.130	0.052	-60%	0.363	0.279	-23%	0.705	NA	NA
Sugar & tropical products 3/	0.094	0.076	-19%	0.472	0.393	-17%	1.102	NA	NA
Total Ag. export volume 3/	13.61	14.27	5%	65.93	70.03	6%	143.64	148.0	3%

1/ Includes pulses, corn gluten feed, and meal.

2/ Includes corn, oats, barley, rye, and sorghum.

3/ Includes only those items measured in metric tons.

4/ Wood products are not included in agricultural product value totals.

Note -- 1993 forecasts are taken from "Outlook for U.S. Agricultural Exports," Feb. 25, 1993.

U.S. Agricultural Export Value by Region
Monthly and Annual Performance Indicators

	February			October-February			Fiscal Year		
	1992	1993		1991/92	1992/93		1992	1993(f)	
	--Bil.\$--		Change	--Bil.\$--		Change	--Bil.\$--		Change
Western Europe	0.837	0.895	7%	4.112	4.236	3%	7.726	8.2	6%
European Community	0.788	0.864	10%	3.858	4.038	5%	7.183	7.7	7%
Other Western Europe	0.049	0.031	-38%	0.254	0.198	-22%	0.543	0.5	-8%
Eastern Europe	0.011	0.037	229%	0.083	0.217	162%	0.221	0.3	36%
Former Soviet Union	0.282	0.058	-79%	1.468	0.601	-59%	2.640	1.9	-28%
Asia	1.508	1.275	-15%	6.992	6.861	-2%	15.989	15.6	-2%
Japan	0.784	0.694	-11%	3.539	3.454	-2%	8.364	8.1	-3%
China	0.077	0.067	-14%	0.357	0.142	-60%	0.690	0.4	-42%
Other East Asia	0.440	0.322	-27%	2.196	2.152	-2%	4.929	5.0	1%
Taiwan	0.154	0.119	-22%	0.884	0.843	-5%	1.913	1.9	-1%
South Korea	0.217	0.136	-37%	0.956	0.922	-4%	2.200	2.3	5%
Hong Kong	0.069	0.060	-13%	0.354	0.380	7%	0.816	0.9	10%
Other Asia	0.207	0.193	-7%	0.900	1.113	24%	2.005	2.1	5%
Pakistan	0.050	0.001	-98%	0.145	0.167	16%	0.226	0.2	-12%
Philippines	0.031	0.028	-7%	0.162	0.242	49%	0.442	0.4	-10%
Middle East	0.170	0.221	30%	0.732	0.831	13%	1.717	2.0	16%
Israel	0.042	0.034	-19%	0.157	0.157	-0%	0.342	0.3	-12%
Saudi Arabia	0.039	0.048	24%	0.245	0.218	-11%	0.506	0.5	-1%
Africa	0.109	0.303	179%	0.733	1.297	77%	2.201	2.5	14%
North Africa	0.082	0.188	128%	0.537	0.720	34%	1.312	1.5	14%
Egypt	0.053	0.088	66%	0.301	0.360	20%	0.709	0.6	-15%
Algeria	0.024	0.045	90%	0.163	0.181	11%	0.382	0.5	31%
Sub Saharan Africa	0.027	0.115	335%	0.196	0.576	193%	0.889	0.9	1%
Latin America	0.551	0.587	6%	2.532	2.839	12%	6.384	6.7	5%
Mexico	0.335	0.322	-4%	1.339	1.455	9%	3.653	4.1	12%
Other Latin America	0.216	0.265	22%	1.192	1.384	16%	2.731	2.6	-5%
Brazil	0.005	0.022	356%	0.103	0.136	32%	0.143	0.1	-30%
Venezuela	0.033	0.058	73%	0.146	0.226	55%	0.393	0.3	-24%
Canada	0.354	0.396	12%	1.886	2.042	8%	4.804	4.7	-2%
Oceania	0.027	0.031	13%	0.202	0.184	-9%	0.424	0.4	-6%
World Total	3.850	3.810	-1%	18.821	19.285	2%	42.314	42.5	0%

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Agricultural Trade Highlights staff includes:

Production Assistants

Paula Lane
Anne Player

Editorial Assistant

Louella Laguna